

Maryland
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MARKET ANALYSIS - January 22, 2004

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Corn futures have risen about 15 cents since the USDA report and this month has been fantastic with futures rallying 40 cents after the price dip following the release of the mad cow story. Some analysts believe that the current rally has already priced in the new fundamental news and any dips that might occur will be just that so prices shouldn't fall too far. However, as usual, be wary of the funds – they have accumulated some huge long positions and there will, without any doubt, be some profit taking in the near future. Having said that, some are saying that it would not surprise them if the funds went long over 200 thousand contracts! Staggering. They are currently sitting on about 190 thousand. Weekly export numbers were delayed until Friday of this week because of the holiday on Monday. U.S. corn export sales should top year ago figures in the next two months. This month expect the traders to closer monitor the Chinese export/import situation. The next major piece of fundamental news will be the planting intentions; the current high price of beans should help support the new corn crop. Soybean futures have continued their bullish momentum and have challenged the \$8.50 mark several times this week. What should your hedge attitude be right now? Maybe nothing – sit on some old crop and don't place hedges yet on the new crop. Soybean futures were poised for another jolt upwards if a blood meal change in regulation was announced, and it was, so we saw more of a price increase. There are also some light weather concerns in South America, but little crop stress is occurring at this time. The traders were completely confused midweek when Ag Secretary Veneman sad she would make an announcement about feed in her testimony. Traders didn't know what to do when she didn't even mention it and just talked about BSE. Apparently the FDA will make that announcement at a date that has yet to be announced. The expectation is that the FDA will stop the feeding of some animal meals. Wheat futures have also continued to move higher since the report was released last week but does lack the bullish enthusiasm witnessed in the other two markets. The winter wheat seedings was the largest supportive item for wheat this week – they came in at 43.5 million acres versus guesses at 45.83. Despite a reported sale of wheat to China at the end of the week – wheat futures gave up some of its gains, but sub-zero temperatures forecast for next week could damage the hard red winter wheat crop

BASIS TABLE

LOCATION	CORN BASIS		SOYBEAN BASIS		WHEAT BASIS	
	CASH(Mar04)	NEW(Dec04)	CASH(Mar04)	NEW(Nov04)	CASH(Mar04)	NEW(Jul04)
Western MD	+11	N/A	-75	N/A	-57	N/A
Central MD	+17	Even	-46	-25	-25	-17
Southern MD	+18	Even	-25	-25	N/A	-30
Upper E. S	+25	+5	-20	-25	N/A	-25
Lower E. S	+34	+12	-12	-16	-42	-28

WEEKLY CROP WEATHER SUMMARY

MARYLAND AGRICULTURAL STATISTICS SERVICE

The Weekly Crop Weather Summary will resume in April 2004

CASH GRAINS - REGIONAL - (\$/bu) DEALERS AVERAGE CASH QUOTES								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	01/15	01/21	01/15	01/12	01/15	01/21	01/15	01/21
Western Md	2.85	2.88	7.67	7.67	3.28	3.35	2.48	2.55
Central MD	2.78	2.94	7.74	7.96	3.70	3.67	2.50	2.55
Southern MD	2.87	2.95	8.17	8.17	----	----	1.50	1.50
Upper E. Shore	2.94	3.02	8.22	8.22	6.44	----	1.60	1.60
Lower E. Shore	3.03	3.11	8.34	8.30	----	3.50	1.56	1.56
Soybean Meal Lower Eastern Shore Dealer's Average Cash Quotes (\$/ton)								
Date	1/15	01/21	Date		1/15	01/21		
48% Soybean Meal	292.00	291.00	44% Soybean Meal		280.00	279.00		
FORWARD CONTRACT PRICE-REGIONAL (\$/bu) For Harvest delivery Dealer's Avg Quote								
Grade and Commodity	#2 Y Shelled Corn		#2 Yellow Soybeans		#2 Red Winter Wheat		#3 Barley	
Date	01/15	01/21	01/15	01/21	01/15	01/21	01/15	01/21
Western Md	----	----	----	----	----	----	----	----
Central MD	2.68	2.75	6.29	6.47	3.76	3.73	----	----
Southern MD	2.68	2.75	6.44	6.47	3.64	3.60	1.45	1.45
Upper E Shore	2.73	2.80	6.44	6.47	3.67	3.65	1.55	1.55
Lower E Shore	2.80	2.87	6.53	6.56	3.66	3.62	1.53	1.53
GRAIN FUTURES - Chicago Board of Trade (cents/bu) -Jan 22, 2004								
Corn		Soybeans		Wheat		Soybean Meal ¹		
Mar	277.25	Mar	842.00	Mar	392.00	Mar	263.10	
May	282.00	May	842.25	May	396.75	May	263.10	
Jul	285.50	Jul	834.25	Jul	389.75	Jul	259.30	
Sep	278.00	Aug	799.25	Sep	393.00	Aug	248.40	
Dec	274.50	Sep	740.00	Dec	401.50	Sep	230.00	
Mr05	276.50	Nov	671.50			Oct	202.50	

¹ \$/ton

HAY AND STRAW (\$/cwt)							
New Holland, PA - \$/ton - Jan 19, 2004 -119 Loads							
Alfalfa		Mixed		Timothy		Orchardgrass	
57.00-155.00		25.00-215.00		75.00-220.00		55.00-195.00	
120.00-170.00							
Westminster, MD - \$/bale - Jan 20, 2004 - 220 Lots							
Alfalfa		Alfalfa Mixed		Timothy		Timothy Mixed	
1.60-3.80		1.00-3.80		1.50-4.30		1.30-2.50	
1.00-3.00							
Southern, MD - Regional Farmers' Market - \$/bale - Jan 17, 2004							
Product		Low		High		Avg Price	
Alfalfa		4.50		4.50		4.50	
Mixed Grass		2.50		4.60		3.03	
Orchard Grass Mixed		2.25		2.50		2.42	
Straw		2.50		2.50		2.50	
Lespedeza		3.70		3.80		3.78	
Orchard Grass		2.90		2.90		2.90	
Timothy		4.00		4.70		4.19	
Timothy Mixed		4.00		4.10		4.02	
POULTRY (Grade A) - Week Ending Jan 24, 2004 - Negotiated Price, (\$/cwt)							
		Current Week		Week Ago		Month Ago	
NY Wtd Avg. (Fryers)		72.26		67.58		61.36	
12-City Composite		69.79		67.70		65.77	
61.89							
LAMBS - Westminster, MD - \$/cwt - Jan 19, 2004							
H-Ch-Pr		110-135 lbs		120.00-130.00		90-110	
125.00-145.00							
Good Ch		70- 90 lbs		137.00-152.00			
TERMINAL MARKETS HOGS - Jan 22, 2004				DIRECT MARKET HOGS - Westminster, MD- Jan 20, 2004			
Base Price Range		Carcass Basis		Sows (1-3)		# 1&3	
a.m.		Base 185 lb Hog		300-449 lbs			
Eastern Cornbelt		45.50-55.01		27.32-32.50		220-250 lbs	
Iowa, Minn		45.00-57.00		27.04-33.02		290-360 lbs	
\$34.25							
FEEDER PIGS - (\$/cwt) -							
Gumboro, DE -				New Holland, PA			
Head:		Trend:		Head:		Trend:	
NO SALE THIS WEEK		NEXT SALE 2/17/04		381		98% went to slaughter	
				73-80 lbs		40.00-50.00	
CATTLE-LIVE FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 22, 2004				HOGS-LEAN FUTURES-Chicago Mercantile Exchange (\$/cwt) - Jan 22, 2004			
Jan		85.40		Jun		71.75	
Feb		81.70		Aug		73.75	
Apr		77.05		Oct		76.82	
55.77							
57.75							
59.60							
STOCKER-FEEDER CATTLE - (\$/cwt)							
Winchester, VA - Jan 19, 2004				Westminster, MD - Jan 21, 2004			
Steers				Steers			
300-400 lbs		118.00-129.00		300-400 lbs		90.00-111.00	
400-500 lbs		99.00-115.00		500-700 lbs		84.00- 95.00	
500-600 lbs		89.25-101.75		200-400 lbs		81.00- 95.00	
600-700 lbs		80.00- 90.00		400-600 lbs		89.00- 92.00	
799-800 lbs		79.50- 84.00		Bulls returning to farm			
Heifers		300-400 lbs		#1		95-120 lbs	
400-500 lbs		98.00-111.50				150.00-162.00	
500-600 lbs		96.00-103.50		#2		90- 94 lbs	
600-700 lbs		80.00- 92.00				130.00-140.00	
		77.00- 86.00				95-120 lbs	
						110.00-145.00	
						75.00- 115.00	
						300.00-390.00	
Lancaster, New Holland & Vintage - Week Ending - Jan 24, 2004							
Bull, Holstein		90-120 lbs		135.00-152.00		Plainer	
Heifers, Hols		90-120 lbs		300.00-370.00		90-120 lbs	
						135.00-150.00	
						200.00-270.00	
SLAUGHTER CATTLE (\$/cwt)							
Westminster, MD - Jan 20, 2004							
Fed Steers				Fed Heifers			
Ch 2-3		1250-1550 lbs		86.00-90.00		H-Ch 2-4	
L-Ch				84.00-87.00		1200-1450 lbs	
Select		1100-1450 lbs		74.00-80.00		900-1050 lbs	
Cows						73.00-74.50	
Breakers		46.00-49.75				Calves	
Few		50.00-53.00				Good Slaughter	
Boners		42.00-47.00				85- 120 lbs	
Lean		38.00-43.50				50.00-67.00	
Thin & Light		38.00-DOWN				70- 85 lbs	
						30.00-50.00	
Lancaster, New Holland & Vintage - Week Ending - Jan 24, 2004							
Steers, Choice, 2-3		1100-1495 lbs		86.50-91.75		\$1 - \$3 higher	
Heifers, Choice		1230-1585 lbs		76.00-79.75		Lower undertone	
Cows, Breakers 75-80 pct lean				50.00-54.50		Steady to \$2 lower	
Bulls, YG 1		1025-1920 lbs		58.50-65.00		Sharply higher	
Vealers, Good & Choice		60- 110 lbs		58.00-74.00		None	